

Free at last? DeLorean settles last car project suit

By Edward Lapham
MANAGING EDITOR

DETROIT — Former automaker John Z. DeLorean has agreed to pay \$7 million to settle the last of the civil claims against him that stem from his defunct stainless-steel sports-car project.

The agreement, reached Oct. 11 in the chambers of U.S. District Judge Gerald E. Rosen, frees DeLorean from litigation involving the car project for the first time since the venture folded in 1982.

DeLorean may still face criminal contempt charges in Detroit and could be jailed, according to a transcript of the settlement proceedings obtained by *Automotive News*.

DSQ Property Co. Ltd., successor company to his defunct Northern Ireland factory known as DeLorean Motor Cars Ltd., agreed to discontinue proceedings involving a \$54 million default judgment

granted against DeLorean in 1988 in the High Court of Justice in London.

Last December, another High Court decision lifted DeLorean from that judgment, but the matter was on appeal to the House of Lords to reinstate the award. Earlier last year, the U.S. District Court in Detroit had ordered DeLorean to pay the \$54 million default judgment, and the U.S. Sixth Circuit Court in Cincinnati affirmed the decision.

The 65-year-old former automaker now will have paid a total of \$16.4 million to settle claims against him stemming from his short-lived automaking venture in Belfast, Northern Ireland. In 1987, DeLorean reached a \$9.4 million agreement with the trustee of the bankrupt DeLorean Motor Co., settling claims against him by the company and its creditors.

Although he called it a global settlement, Rosen told DeLorean he might still face criminal contempt charges stemming from payments DeLorean and his attorneys received from the frozen assets of DeLorean-owned Logan Manufacturing Co., in apparent violation of a court order.

"Courts speak through their orders," Rosen told DeLorean. "They mean nothing if lawyers and their clients believe they are free to circumvent, avoid or blatantly act in derogation of those orders. The only authority that a federal District Court has to enforce its orders is to find a contempt. They are not to be violated frivolously, willy-nilly."

Rosen said DeLorean and at least one of his attorneys may yet face a fine or incarceration for criminal contempt.

The \$7 million settlement will be paid in two installments through DeLorean's snow-grooming equipment company in Logan, Utah. The first payment of \$3 million is due April 30, 1991. The second payment of \$4 million is due Jan. 31, 1992.

DeLorean, who once headed Chevrolet and Pontiac, left General Motors in 1973. In 1976, he incorporated DeLorean Motor Co. and began the fundraising efforts that eventually took his sports-car assembly plant to troubled Northern Ireland.

Production began in February 1981 and totaled fewer than 9,000 of the stainless-

steel sports cars. The British government, a major creditor, placed the insolvent Belfast factory in receivership in February 1982. The parent U.S. company finally collapsed into bankruptcy in October 1982 and filed for protection from its creditors under Chapter 11 after DeLorean was arrested on federal drug charges in Los Angeles. DeLorean was acquitted of all charges.

In 1985, he was indicted on fraud and racketeering charges by a federal grand jury in Detroit. Those charges related to \$17.65 million that disappeared from the sports-car project. In December 1986, DeLorean was acquitted of all those charges in a federal court trial in Detroit.

Although DeLorean is now free from litigation, others are not. The trustee of bankrupt DeLorean Motor Co. has a \$300 million suit pending against Arthur Andersen & Co., the international accounting firm that audited some DeLorean-controlled companies. And Frederick Bushell, one-time chairman of Group Lotus, is slated to stand trial in April in Belfast on fraud charges related to the missing \$17.65 million.



DeLorean

GM Chairman Robert Stempel, left, and UAW President Owen Bieber shook hands Friday after signing the labor agreement that will guide GM workers for the next three years.



AUTOMOTIVE NEWS/JOE WILSON

Chrysler seeks 10-hour shifts for vans

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Workers at Chrysler Corp.'s St. Louis II plant fear that a new national contract between Chrysler and the UAW could force them to accept a 10-hour-a-day, four-day work week.

Last fall, the local workers rejected the plan, which Chrysler says would allow it to produce more of its profitable minivans without new capital investment.

Talks between Chrysler and the union are expected to speed up this week. The union is expected to announce an Oct. 31 deadline to reach an accord with Chrysler, which hopes to break the pattern set at Ford Motor Co. and General Motors.

Ford hourly workers were expected to ratify their contract on Sunday, Oct. 21. GM hourly workers adopted a similar three-year pact Sept. 30. Chrysler officials say they can't afford to follow the same pattern. The old contracts for the Big 3 expired Sept. 14.

At an Oct. 11 meeting, Chrysler Chairman Lee Iacocca told UAW negotiators that Chrysler needs at least three things to remain competitive, according to a negotiator who requested anonymity. Those three things were:

- Lower health care costs
- Lower pension costs
- A 10-hour work day at the St. Louis II plant, which builds minivans.

"He was really serious about the

Oct. 25 is CAW, Chrysler D-day

By Alex Law
STAFF CORRESPONDENT

TORONTO — The Canadian Auto Workers has set a strike deadline of midnight Thursday with Chrysler Canada. Chrysler is the last of the Canadian Big 3 without a contract now that General Motors of Canada workers have overwhelming approved a three-year deal.

On Friday, a Chrysler spokesman said the company would likely present an economic package over the weekend. The company did not indicate whether it was prepared to go along with the bargaining pattern established at Ford of Canada and GM of Canada.

But the spokesman noted that Chrysler's local issues are different than Ford's or GM's, and that those two contracts weren't identical. There's a lot of work to do to get a settlement by Thursday, he admitted, but a deal is "do-able."

At GM of Canada, about 90 percent of voting workers agreed on a pattern deal based on the one reached between Ford and the union in September. The deal calls for wage increases, including cost of living allowances, of 7.5 percent in the first year, 6.7 percent in the second, and 4.8 percent in the third. The average base rate is now \$17.82 (U.S. \$15.24); \$1.62 (U.S. \$1.38) is for COLA.

three-crew system at St. Louis," the negotiator said, "about as serious as he was about health care; he surprised me."

St. Louis II produces the long wheelbase minivans — the Grand Voyager and Grand Caravan passenger and cargo models, and the Town & Country. Through September, 141,304 vehicles had been produced at the plant in 1990.

Minivans are the most profitable of all Chrysler-built vehicles. The three-crew system could allow the plant to produce about 25 percent

more without additional capital because work time would increase from 16 hours a day to 20. The plant would operate with three work crews for six or seven days a week.

Employees at the plant rejected the three-crew proposal last November because they insisted on overtime pay for weekends and for work beyond eight hours daily.

Stan Marshall, UAW vice president and head of the union's Chrysler department, says he

see CHRYSLER, page 47

TRIPLE WALLOP

Taxwriters eye guzzlers, luxury and gas

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Congressional budget negotiators headed into the weekend with their sights set on higher gasoline and gas-guzzler taxes as well as a new tax on luxury cars.

The House proposal approved last week included doubling the current gas-guzzler tax and placing a 10 percent luxury tax on the price of a car above \$30,000.

The gas-guzzler proposal would boost the minimum penalty from \$500 to \$1,000 for cars that get 21.5 mpg to 22.5 mpg. At the other extreme, the maximum penalty would increase from \$3,850 to \$7,700 for cars that get less than 12.5 mpg.

The Senate bill also contained the luxury tax in addition to a proposed 9-cent-per-gallon increase in the gasoline tax; it would total 18.5 cents by 1992. The tax on diesel fuel would jump from 15 cents to 24.5 cents per gallon.

Negotiations between House and Senate to reconcile their budget packages were expected to continue through the weekend.

Observers expected the luxury tax to remain in the final bill because it was included in both the House and Senate proposals. The fate of the increases in gas-guzzler and gasoline taxes was less certain. Members of the Senate finance committee, the upper body's revenue-raising committee, have favored the gas-guzzler tax in the past.

Chrysler Corp. has backed an increased gasoline tax; Ford Motor Co. conditionally supported an increase, and General Motors opposes it.

The import auto industry aggressively fought the luxury and gas-guzzler proposals last week, arguing that both measures are discriminatory.

The domestic industry lobbied to have the \$30,000 luxury tax adjusted annually for inflation. It fears that more cars will cross that threshold in years to come, especially as prices increase to reflect the cost of air bags and additional safety features.

"The tax is not equitable in that it's not indexed (to inflation)," said H. Thomas Greene, executive

GAS GUZZLER TAX PROJECTIONS

The EPA projects sales and computes gas guzzler taxes to come up with an estimate of the amount automakers will pay the IRS. At current rates, EPA projects tax collections this way:

Maker	1990 (millions of dollars)	1991
Mercedes	\$33.1	\$32.2
BMW	12.7	16.3
Cadillac	9.4	15.0
Infiniti	12.0	11.5
Porsche	3.8	6.3
Rolls-Royce	4.4	4.2
Jaguar	7.1	2.9
Audi	3.5	2.6
Ferrari	1.9	2.2
Other makers	2.7	0.1
Total industry	\$90.6	\$93.3

Source: EPA

director of the legislative group for the National Automobile Dealers Association. He said a \$25,000 car today will be a \$30,000 car in a couple years "and that's when you get into taxing a family-sized vehicle."

The EPA has classified 47 cars as gas guzzlers for the 1991 model year.

"The gas-guzzler tax would hit many of the cars that would also be hit by the luxury car tax. That's a substantial increase," Greene said. "Any time the price goes up, the chances of reduced sales are of concern."

The domestic automakers successfully fought a House Ways and Means Committee proposal that

see TAXES, page 47

Correction

Bivouac Industries of Vandalia, Mich., is producing van conversions on a small scale, according to company President Scott Chapman.

Chapman said Bivouac has a skeleton crew converting vans while he negotiates with banks to restructure the company.

Automotive News reported last week that the company had closed while seeking further credit extensions.

Ford targets Taurus owners with new Crown Victoria

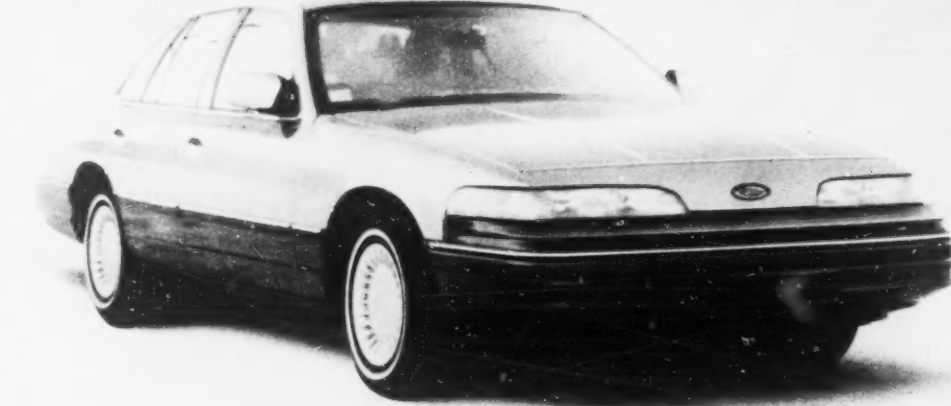
Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Division will position its new full-sized Crown Victoria as a step-up vehicle from its successful mid-sized Taurus when the Crown Victoria is introduced March 21. Ford officials expect the new car's relatively aerodynamic shape and its handling and smoother engine to appeal both to current owners of full-sized cars and to prospects moving up from mid-sized cars such as Taurus and its competitors, according to Keith Magee, Ford Division general marketing manager.

The Crown Victoria and its sister car, the Mercury Grand Marquis, have not greatly changed since the 1979 model year and have enjoyed strong position in the full-sized segment of the market.

Ford said Crown Victoria took 19.9 percent of the full-sized car segment in the 1990 model year, and Grand Marquis took 12.4 percent. But because of their traditional styling, the cars had limited appeal to owners of aerodynamic products like the Taurus and Mercury Sable.

"Our dealers tell us they'll have trouble selling the new model to their traditional full-sized-car customers, while consumer research



POPULAR MECHANICS/JIM DUNNE

The new Ford Crown Victoria, to be introduced in March, will feature rounded styling similar to the Taurus.

indicates that the new design also will have a strong appeal to buyers who like contemporary styling," said Magee.

Ford officials say the new Crown Victoria will be more of a "driver's car" with more responsive handling and a less "cushy" ride than the current model.

Ford said the more than 1.5 million Taurus owners in the United

States will be excellent prospects for the restyled Crown Victoria.

The new model is expected to reduce the median age of a Crown Victoria buyer to 54 from the current 65.

Ford expects car sales in the United States to increase 6 percent during the next seven years. It looks for an increase of about 8 percent in the upper-middle seg-

ment in which Taurus competes and a decline of about 8 percent in the large-car market in which Crown Victoria competes.

"We are looking at the Crown Victoria to grow in a shrinking segment; one way to do that is to get people into a Crown Victoria before they go somewhere else," said a Ford spokeswoman. She declined to give sales projections for

the car. Ford sold 97,403 Crown Victoria sedans in the 1989 calendar year.

Ford is dropping the Crown Victoria and Country Squire wagons because of declining sales. Ford sold about 11,000 of the wagons in 1989.

Although Ford believes the softer look of the new Crown Victoria will appeal to conventional buyers as well as Taurus owners attached to the aero look, the Ford spokeswoman said the division has not finalized specific marketing plans to accomplish that conversion.

Ford is also looking closely at the competition. Recently in separate clinics, Ford asked retail buyers and fleet customers to evaluate the 1992 Crown Victoria and the 1991 Chevrolet Caprice, which was restyled and went on sale last January.

For the first nine months of 1990, Crown Victoria sales were off 0.41 percent, at 87,767 units. For the same period, Caprice sales were up 2.38 percent, at 130,006 units.

Major Ford fleet customers preferred the 1992 Crown Victoria to the 1991 Caprice in a side-by-side comparison, said Bill Willis, Ford

see CROWN VIC, page 46



Harumizu Suzuki works on one of three lines specially designed for older workers at Nissan's Oppama plant.

GRAY POWER

Japan automaker caters to older workers to counter effects of shrinking labor pool

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Five years ago, Harumizu Suzuki, a 55-year-old welder at Nissan Motor Co. Ltd.'s Oppama plant, might have been reassigned to sales or politely "asked" to take early retirement for being unable to keep up with the grueling pace on the assembly line.

In the economic climate of the time, Japan's carmakers were trying to slash costs to the bone. And on the line, speed and agility were prized more than even 21 years of experience.

No more. Spurred by the demographic graying of the population and its

inevitable consequence — a rapidly shrinking labor pool — Japan's corporations are scrambling to fill the gaps in their worker ranks with everything from foreign recruitment to increased spending on high-tech automation.

At Oppama, where a third of the plant's 2,600 workers are over 45, Nissan has set up three assembly lines especially for older workers, hoping to keep them on the payroll.

For the automakers, the pressure of an aging, declining labor pool has been exacerbated by an unforeseen surge in sales — just as production workers have become

see LABOR, page 10

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GM arms employees with quality facts

Workers, retirees asked to tout gains

By Phil Frame
AUTOMOTIVE NEWS STAFF REPORTER

If you're chatting with a General Motors employee about product quality and the person reaches for their wallet, watch out — you're about to get hit with facts.

GM this month sent a "fact book" to each of its 500,000 employees and 330,000 retirees. GM executives hope those people will uniformly trumpet GM's recent quality achievements to friends, neighbors and relatives.

To make it even more convenient for use at cocktail parties and barbecues, highlights from the folder are boiled down into a laminated, wallet-sized card.

The folder and card are an extension of GM's "Putting Quality On The Road" marketing campaign that began May 1, said William Quigley, executive in charge of

Keep These Quality Facts In Mind

GM quality is competitive

- The Harbour & Associates study shows GM vehicles are now built better than the average European and are within one-half of one defect of the average Japanese import.
- For the third year in a row, the J.D. Power IQS ranked a GM nameplate as maker of the most trouble-free U.S. cars.

GM quality lasts

- GM vehicles were the most dependable U.S. makes in the J.D. Power Vehicle Dependability Index study of 4- to 5-year-old 1985 models — and more dependable than the average Asian or European import.
- For a decade, 3- to 5-year-old GM cars have held their value better than all other U.S. cars, according to a GM corporate study. Our trucks hold their value better than all other

trucks sold in America — foreign or domestic.

- In 1989 there was a higher percentage of 1979 GM cars still on the road than 79s from Ford, Chrysler, Toyota, Nissan or Honda.
- GM builds reliability into every part
- A GM study shows that our automatic transmissions are more problem-free than those of any domestic competitor — and most imports.
- Outstanding engines
- 2.3-liter Quad 4 is as problem-free as 2.0-liter engines from Toyota or Honda.
- 3800 V6 is competitive with Toyota 2.8-liter L6 or Honda 2.7-liter V6.
- 4.5-liter Cadillac V8 has fewer owner-reported problems than V8s from Toyota or Mercedes-Benz.

Quality is a way of life at GM. And we're going to keep working to make every GM car or truck the best in the world.

This is not the first time GM has asked its people to be roving ambassadors. But this is a more mass-communications.

sive, coordinated effort. "In some of our survey work with employees, we heard 'We see QUALITY, page 41

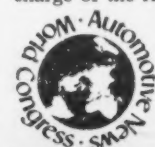
GM exec Hoglund slated to speak at World Congress

William E. Hoglund, General Motors executive vice president in charge of the Automotive Components Group and the Power Products and Defense Operations Group, will speak to the 1991 Automotive News World Congress on Monday night, Jan. 14.

The World Congress will be held at the Westin Hotel in Detroit Jan. 13-16.

Hoglund has held this position since June 27, 1988, when he was promoted from group executive in charge of

see CONGRESS, page 41



Hoglund

High-tech engine mount may quiet inline 4 and 6 bangers, cut costs

By Jack Koebler
AUTOMOTIVE NEWS STAFF REPORTER

A new type of computer-controlled, "active" engine mount promises to make shaky inline four-cylinder and V-6 engines as quiet and vibration-free as a V-8.

The development of active engine mounts could give new life to aged four-cylinder engines, save vehicle weight, increase fuel economy and conserve billions of dollars in engine development costs.

Until recently, increased consumer awareness of noise, vibration and harshness has been pushing makers away from fours to smooth-running inline six, V-6, V-8 and even V-12 engines.

But the threat of tougher fuel economy standards, chassis weight-reduction programs and consumer anxiety about rising fuel prices beg engineers to reconsider

the low weight, mechanical simplicity and thermal efficiency of four-cylinder engines. And this engineering breakthrough would eliminate the four-cylinder engine's greatest disadvantage.

Three companies claim to have arrived at the new engine-quieting technology independently. Lotus Engineering of Norfolk, England in conjunction with engine mount maker Carl Freudenberg of West Germany; Noise Cancellation Technologies Inc., of New York; and Aura Systems Inc., of El Segundo, Calif., have all recently claimed development of an active engine-mount system.

Lotus and Noise Cancellation Technologies claim their electronic systems are far more effective than engine-powered balance shafts because the additional power required to smooth the engine is less

— 0.1 horsepower for engine mounts versus approximately 1.0 to 3.0 horsepower for a balance shaft.

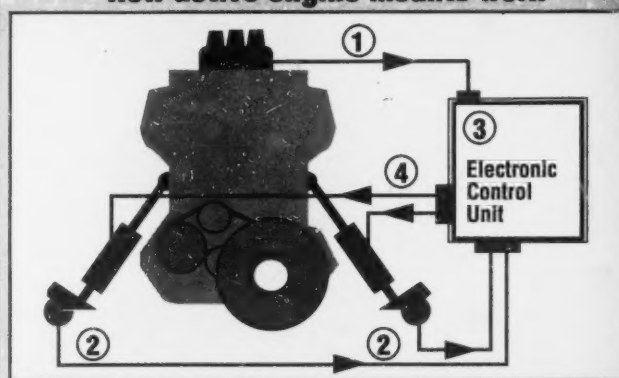
Active mounts weigh less (5 to 10 pounds vs. 20 pounds). They could also reduce engine-packaging problems by eliminating bulky balance-shaft systems. And finally, because they are computer controlled and programmable, they are adaptive to a much wider range of engine speeds and loads.

Balance-shaft systems provide their vibration reducing benefit in a relatively narrow range of engine speeds and loads.

Wilhelm Cashen, an Aura Systems representative, said his company is currently developing an electro-magnetic version of an active mount for automotive applications. The Lotus and Noise Can-

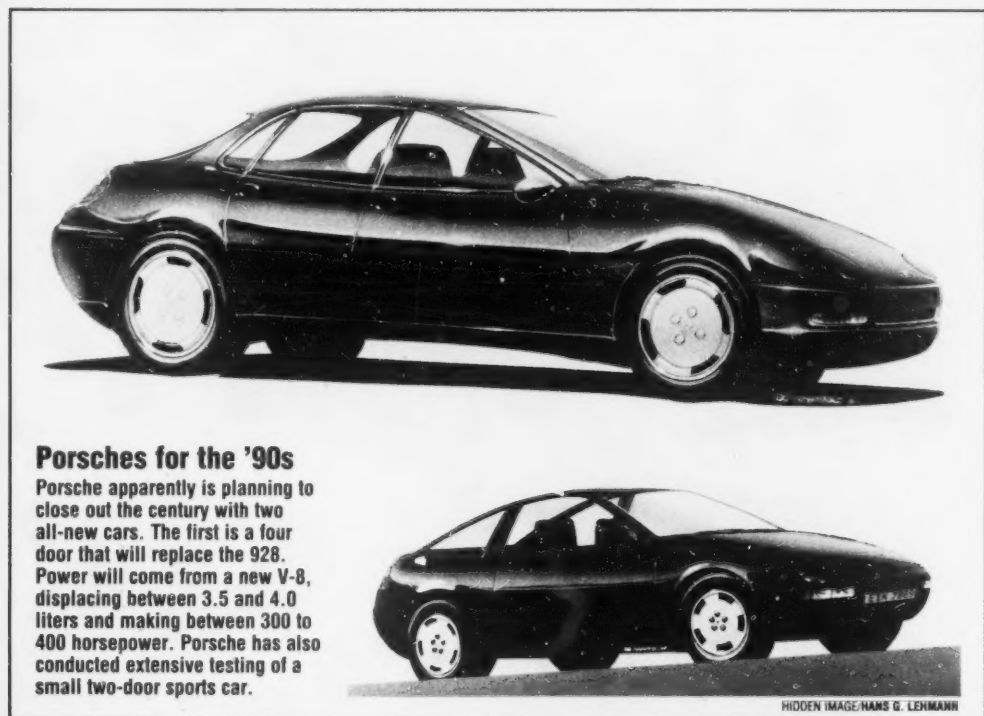
see MOUNT, page 41

How active engine mounts work



- 1 Engine speed sensor reports to Electronic Control Unit.
- 2 Chassis accelerometers measure vibration between body structure and engine.
- 3 ECU calculates how far and fast engine mounts must move to keep engine vibration from reaching chassis.
- 4 ECU triggers engine mount movement.

AUTOMOTIVE NEWS / DAVID L. BARNARD



Porsches for the '90s

Porsche apparently is planning to close out the century with two all-new cars. The first is a four door that will replace the 928. Power will come from a new V-8, displacing between 3.5 and 4.0 liters and making between 300 to 400 horsepower. Porsche has also conducted extensive testing of a small two-door sports car.

HIDDEN IMAGE/HANS G. LEHMANN

Extra selling day boosts early October sales

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Aided by an extra selling day, sales of U.S.-made cars and trucks in the first 10 days of October rose 9.3 percent over last year. Domestic automakers had nine selling days in early October and sold 269,274 vehicles compared to 246,378 in eight days last year.

The daily selling rate was down slightly.

Every domestic maker except Ford Motor Co. reported higher combined car and truck sales. Ford's car sales were down 15.4 percent, and its truck sales fell 11 percent for a combined drop of 13.7 percent.

Total domestic car sales of 182,339 were up 14.4 percent over last year. Truck sales fell only 48 units to 86,935.

It was not all good news. This year, the daily selling rate for cars and trucks was 29,919, down from 30,797 in early October last year. The decline in the daily rate is not a good sign, said Tom Webb, chief economist for the National Automobile Dealers Association.

"Unresolved developments in see SALES, page 41

10-DAY SALES DOMESTIC BUILT CARS

	Oct. 1-10, 1990	% change '90 vs. '89
Eagle.....	971	- 30.3
Chrysler.....	5,602	+ 20.6
Dodge.....	12,394	+ 31.4
Plymouth.....	7,267	+ 0.2
CHRYSLER MTRS.	26,234	+ 15.5
Ford.....	32,927	- 22.4
Lincoln.....	6,058	+ 37.9
Mercury.....	8,619	- 8.7
FORD MOTOR.....	47,604	- 15.4
Buick.....	14,446	+ 59.6
Cadillac.....	8,571	+ 38.1
Chevrolet.....	30,345	+ 25.4
Oldsmobile.....	13,401	+ 14.7
Pontiac.....	22,277	+ 29.8
GENERAL MTRS.	89,040	+ 30.4
HONDA.....	9,313	+ 37.8
MAZDA.....	1,184	+ 167.9
MINI.....	1,092	+ 20.1
NISSAN.....	1,820	+ 26.9
SUBARU.....	299	-
TOYOTA.....	5,753	+ 122.0
U.S. CAR TOTAL.....	182,339	+ 14.4

Chrysler.....	51	- 38.6
Dodge.....	9,117	- 21.1
Jeep.....	3,990	- 17.7
Plymouth.....	3,600	- 1.0
CHRYSLER MTRS.	16,758	- 16.7
FORD MOTOR.....	32,052	- 8.8
Chevrolet.....	26,738	+ 19.0
GMC.....	7,266	+ 12.2
Oldsmobile.....	667	-
Pontiac.....	635	-
GENERAL MTRS.	35,306	+ 20.8
ISUZU.....	582	-
MAZDA.....	154	-
NISSAN.....	2,083	+ 28.7
U.S. TRK. TOTAL.....	86,935	+ 1.8
U.S. CAR-TRUCK TOTAL.....	269,274	+ 9.3

There were 9 selling days in the period this year and 8 last year.

Slang slur upsets San Francisco

City supervisor's letter says pulled Chevy video is discriminatory

By Phil Frame
AUTOMOTIVE NEWS STAFF REPORTER

San Francisco's board of supervisors last week expressed outrage that a Chevrolet product video used the term "faggot" to describe small, foreign-made pickup trucks.

Supervisor Richard Hongisto registered the protest in a letter to General Motors Chairman Robert Stempel that was signed by nine of Hongisto's board colleagues. The letter noted that the City of San Francisco purchased \$500,000 in products last year from GM and that business with GM could be in jeopardy.

The video had limited distribution before being pulled, and GM apologized for the remarks immediately after they were criticized in September. It was part of a large display of 1991 cars and trucks shown to dealers, employees and news media in Nashville, Tenn., and Detroit.

In display scenes, a video captured real consumers and dealers discussing their attitudes on various subjects. A pickup truck display included comments from one customer that "no foreign manufacturer makes a decent-size pickup truck," said Chevrolet spokesman Ralph Kramer.

"He says, 'Either it's a big truck or a little faggot truck, you know,'" Kramer said.

Hongisto said the board considered the slur a violation of GM's vendor relationship with the city and that the matter has been referred to the San Francisco

Human Rights Commission for further investigation.

When GM sells vehicles to the city, Hongisto wrote, the company agrees "not to engage in discriminatory practices against lesbians and gay men."

Hongisto said the slur was intentional since it was chosen for the display from more than 90 hours of taped interviews.

The letter requests an apology from the automaker and a commitment to "universal compliance with anti-discrimination laws," requests information on company anti-discrimination policies and asks whether GM planned to distribute educational material to sensitize employees about lesbian and gay co-workers and customers.

"We will respond to the letter in due time," said GM spokesman John Mueller.

Kramer said Chevrolet had already stopped using the video before the slur was publicized.

"There's no excuse for the fact that it stayed in," he said. "It was such a minuscule item, it got missed. Chevrolet's and GM's long history of sensitivity to people everywhere ought to temper some of the anger that has been expressed."

"We reiterated our apologies and regrets that the unfortunate slang expression remained in the video," Kramer said.

He said Chevrolet did not script the comment, and said the filming was done by an independent production house.

VW: Major deals with China, Czech makers appear to be imminent

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, Germany — Volkswagen AG, already scheduled to conclude a major production agreement in China next month, also has emerged as the favorite in a contest with France's Renault Group to acquire a significant stake in the Czechoslovakian automaker Skoda.

According to sources in Czechoslovakia, Volkswagen's bid for a stake in the state-owned carmaker AZNP, maker of Skoda models, is heavily favored by Skoda officials and government officials. While stressing that no firm decision had yet been made to reject the rival bid by Renault and its Swedish partner, Volvo AB, they speculated that an agreement with VW could be signed as early as Oct. 29.

According to these sources, VW

Chairman Carl Hahn will sign a Skoda agreement on that date during a previously scheduled visit to Prague. But, spokesmen for both VW and Czechoslovakia's official auto industry agency, Motokov, vigorously denied that a deal was set.

"No final agreement has been reached," the Motokov spokesman said. "Negotiations are going on with both Renault and VW."

A VW spokesman, stressing that Hahn's visit was scheduled in July, said, "There is absolutely no connection."

Skoda, which has capacity for about 200,000 units annually, spent several months entertaining offers from Western companies before settling on VW and Renault as finalists. VW's reported offer of up to 4.8 billion marks (\$3.2 billion) —

see VW, page 41

'Smart' highways called next step for safety, mobility

By Joseph Bohn
TRUCK EDITOR

YPSILANTI, Mich. — A national intelligent vehicle-highway system will follow passage of the 1991 Highway Reauthorization Act, according to attendees at a guided vehicle symposium.

The conference was co-sponsored by the Motor Vehicle Manufacturers Association, the Great Lakes Center of Truck Transportation Research and the Federal Highway Administration, and hosted by the University of Michigan.

Mobility is essential to the U.S. economy and lifestyle but it is threatened by safety considerations and traffic congestion, according to Robert Betsold, federal highway director of safety and traffic operations research and development.

An intelligent vehicle-highway system is one way of attacking these problems, he said.

Betsold foresees developing a system in which vehicles directly exchange traffic information with a traffic management center that returns information or instructions to individual motorists.

The Federal Highway Administration expects an intelligent vehicle-highway system research budget of \$12 million to \$15 million for 1991 and is asking for a fivefold increase for 1992.

Betsold said the program requires about \$3 billion over a 10-year period.

He expects to obtain \$100 million in federal funding and \$200 million in private-sector funding yearly to cover it.

Betsold and other officials urged support for IVHS America, a new non-profit organization designed to coordinate use of navigation and communication technology for vehicles and roadways.

Conference Chairman Robert Erwin, co-director of the University of Michigan's intelligent vehicle-highway system program, defined intelligent vehicle-highway systems as the application of electronics, sensors and computing power to motor vehicles and highways.

He said emphasis must be placed on the "systems" nature of intelligent vehicle-highway systems.

Today, drivers are autonomous sensors with very limited views within their vehicles, Erwin said.

Intelligent vehicle highway systems provide a "system" to improve and streamline highway operations, he said.

Some intelligent vehicle-highway systems are already in use, such as radio motorist information, variable-message signs and early vehicle navigation.

Others, such as near-obstacle detection systems with collision warning and variable

cruise control, will soon be in use, Erwin said.

Trucking is a type of motor vehicle operation that stresses getting the job done. Improved operating efficiency, safety and convenience in handling inspections, record-keeping, permitting and tolls provide incentives to motor carriers to adopt intelligent vehicle-highway systems, Erwin added.

He said there is a short time to view society's needs in implementing intelligent vehicle-highway systems.

If public needs are not considered in establishing an intelligent vehicle-highway systems infrastructure, private groups will stress their own needs and hamper the ability to form a national system, he said.

James Neisch, Rockwell International manager of advanced engineering, said that in Europe and Japan, intelligent vehicle-highway systems are emerging as a "top down" system because of centralized planning from governmental and/or public and private sectors.

About 25,000 primarily navigational units have been sold to car owners in Japan at an average cost of \$3,500, Neisch said.

European projects are using infrared above-ground traffic sensors, while the United States uses buried pavement loops, he said.

The latter use a wire under the road, with

sensors picking up the presence of the wire and maintaining the vehicle direction based on the location of the wire.

Vehicle guidance projects, in which vehicle operators rely on rapidly updated traffic information to plot their routes, are under way in Los Angeles and Orlando, Fla.

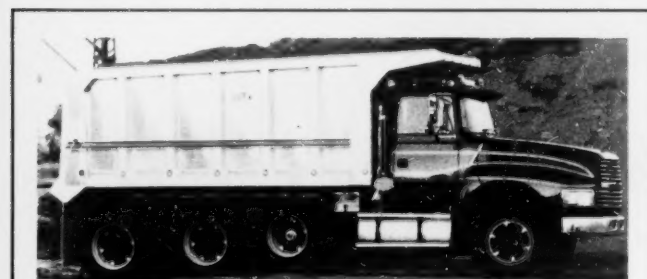
"We can take the best of what Japan and Europe have done and apply it to our own specific needs in North America," Neisch said.

F. Alan Smith, GM executive vice president for operations and public affairs, cited the importance of smooth and efficient commercial trucking.

GM's business with motor carriers, which helps the automaker maintain lean inventories and meet precise production schedules, has grown to account for about 57 percent of its transportation expenditures compared to 45 percent in 1979.

Its business with carriers amounts to \$2 billion a year. About 7,000 trucks provide daily support for its vehicle assembly plants and another 7,000 support its manufacturing and stamping plants, Smith said.

"Each minute that each of those trucks is delayed because of traffic and other road conditions, and each gallon of fuel that is wasted in such delays, has a direct impact on the motor carrier's productivity and competitiveness as well as our own," Smith said.



Entering the WorkForce

The new Ford LTL-9000 WorkForce adds aerodynamic styling and set-back front-axle maneuverability to a long list of features. It has a 121-inch bumper-to-back-of-cab length in either single or tandem rear axle configurations, both with 53-inch set-back front axles.

TRUCK BRIEFS

Oshkosh to buy Miller

OSHKOSH, Wis. — Oshkosh Truck Corp. said it has reached preliminary agreement to buy Miller Trailers Inc. and Miller Ventures Inc., Bradenton, Fla.-based manufacturers of truck trailers.

Terms and price are being negotiated.

The sale is expected to be concluded before the end of 1990 if the companies' outstanding debts can be restructured and legal requirements can be met.

Miller is privately owned. It produces a broad range of heavy-duty highway trailers and is expected to add about \$50 million to Oshkosh Truck's sales.

Oshkosh had sales of \$427 million in 1989; 70 percent of its volume was defense-related. Sales are currently 60 percent defense-related and are expected to fall to 50 percent next year as Oshkosh seeks greater diversification.

NTEA schedules parley

LIVONIA, Mich. — The National Truck Equipment Association has scheduled its 27th annual meeting for Feb. 7-9 at the San Diego Convention Center.

The exhibition will feature commercial truck chassis displays by

domestic and import manufacturers and 270 product/literature booths of commercial truck bodies, equipment, accessories, components and industry services.

New Idealease outlets

BARRINGTON, Ill. — Idealease Inc., a large dealer-owned truck lease and rental organization, has opened two new outlets and expanded another.

J&B Leasing of Colchester, Vt., opened a new Idealease truck rental and leasing facility in Champlain, N.Y.

Harvey & Co. opened a new Idealease facility in Truro, Nova Scotia. Harvey & Co. already represents Idealease in several other Canadian locations.

Osborne Idealease/International relocated moved to a new facility in Greer, S.C. The dealership has a 20,000-square-foot building that includes 22 drive-through service bays.

Oshkosh truck contract

OSHKOSH, Wis. — Oshkosh Truck Corp. said it received a \$57 million extension to a U.S. Army contract.

The award covers an additional 284 trucks that will be produced from March 1991 to June 1991.

SEPTEMBER TRUCK SALES BY MANUFACTURER AND SEGMENT

		14,000 & LESS GVW CLASS 1-3	14,001- 16,000 GVW CLASS 4	16,001- 19,500 GVW CLASS 5	19,501- 26,000 GVW CLASS 6	26,001- 33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1990	TOTAL 1989
FORD	MO	103,577	1,944		615	2,300	975	109,411	115,965
	YR	1,055,149	21,282		4,666	21,164	10,363	1,112,624	1,140,135
FREIGHTLINER	MO						1,771	1,771	1,932
	YR						17,999	17,999	18,532
CHEVROLET	MO	102,996		8	1,107	695		104,806	135,291
	YR	985,589		208	5,961	5,531		997,289	1,051,394
GMC	MO	23,284		25	433	1,202		24,944	37,890
	YR	252,712		1,909	4,210	11,223		270,054	296,444
KENWORTH	MO					51	1,140	1,191	1,531
	YR					328	11,226	11,554	13,951
MACK	MO				92	123	982	1,197	1,710
	YR				910	1,215	11,542	13,667	18,467
MERCEDES-BENZ	MO				36	113		149	126
	YR				414	882		1,296	1,581
NAVISTAR	MO		6	6	610	2,547	2,094	5,263	6,224
	YR		49	94	9,316	23,245	20,545	53,249	60,070
PETERBILT	MO					21	856	877	1,429
	YR					303	9,130	9,433	12,785
VOLVO/GM HEAVY	MO					60	1,010	1,070	1,672
	YR					557	10,566	11,123	12,899
HINO	MO	21		52	67	94		234	234
	YR	246		378	511	738		1,873	1,723
NISSAN DIESEL	MO	48		83	40	44		215	259
	YR	515		706	402	384		2,007	1,780
ISUZU TRUCK	MO	666	42	28	246	18		1,000	498
	YR	4,992	509	306	1,608	407		7,822	5,717
MITSUBISHI FUSO	MO	127		44	19	34		224	218
	YR	1,380		496	207	402		2,485	2,408
SCANIA	MO						6	6	7
	YR						78	78	92
IVECO TRUCKS	MO	114	36	11	3			164	186
	YR	1,209	398	191	115			1,913	1,734
WESTERN STAR	MO						61	61	90
	YR						745	745	1,100
OTHER TRUCKS	MO	123,045					32	123,077	120,961
	YR	1,292,001			34	1	541	1,292,577	1,239,230
GRAND TOTAL, 1990	MO	353,878	2,028	257	3,268	7,302	8,927	375,660	426,223
	YR	3,593,793	22,238	4,288	28,354	66,380	92,735	3,807,786	3,820,042
1989 YR to DATE		3,639,753	20,273	5,466	30,515	72,556	111,479		

NOTE: Class 1-3 total includes light trucks sold by all makes other than those listed. Class 4-8 reported by Motor Vehicle Manufacturers Association.

AROUND THE WORLD

European sales decline continues in September

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, Germany — New-car sales in Europe fell in September for the second consecutive month as demand plummeted in four of the five biggest markets, according to preliminary figures.

The September decline, the third in four months, will make it difficult for Europe to repeat 1989's record sales performance. The 4.8 percent drop to 904,900 units put nine-month sales 0.8 percent below Europe's record pace of 1989, when sales reached 13.4 million units.

Sales in 17 Western European countries totaled 10,386,600 through September, according to industry estimates compiled by *Automotive News*. That compares with 10,474,400 for the first nine

months of 1989.

Only the German market, where new-car sales are buoyed by strong used-car demand in what was East Germany, is going against the trend. Used cars are scarce, so many would-be used-car buyers are purchasing new cars. German sales in September rose 8 percent, to 225,500 units, according to preliminary estimates.

For the sixth consecutive time, Volkswagen AG seems poised to finish the year as No. 1 in European sales. The VW group, which includes the Audi and Seat brands, is up 1.3 percent for the year, to 1,571,900 units, after climbing 5.7 percent in September, to 144,400. Its market share was 15.1 percent for nine months.

Sales at second-place Fiat S.p.A., hurt by declining penetra-

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	9 Months 1990	Pct. change vs. 1989
Germany	2,291,700	+ 6.1
Italy	1,842,300	+ 0.7
France	1,733,500	+ 3.4
United Kingdom	1,698,200	-11.6
Spain	775,800	- 9.2
Netherlands	421,700	+ 1.2
Belgium-Luxembourg	409,800	+ 7.5
Switzerland	260,900	- 2.6
Austria	237,000	+ 7.7
Sweden	179,400	-19.7
Portugal	153,900	+ 2.3
Finland	117,200	-19.7
Greece	78,800	+32.2
Ireland	72,000	+ 8.0
Denmark	66,800	+ 6.5
Norway	47,600	+17.3
Total	10,386,600	- 0.8

EUROPEAN SALES

Manufacturer	9 Months 1990	1990 share*	9 Months 1989	Volume change (%) '90 vs. '89
Volkswagen	1,571,900	15.1	1,552,400	+ 1.3
Fiat Auto**	1,480,900	14.3	1,540,100	- 3.8
Peugeot S.A.***	1,335,700	12.9	1,334,600	+ 0.1
Ford†	1,210,500	11.7	1,250,000	- 3.2
General Motors****	1,190,100	11.5	1,156,500	+ 2.9
Renault	1,019,900	9.8	1,055,100	- 3.3
Mercedes-Benz	332,900	3.2	327,500	+ 1.6
Rover	317,300	3.1	338,500	- 6.3
Nissan	305,500	2.9	321,400	- 5.0
BMW	284,900	2.7	301,900	- 5.6
Toyota	280,500	2.7	270,300	+ 3.7
Mazda	217,800	2.1	174,400	+24.9
Volvo	188,300	1.8	206,100	- 8.6
Mitsubishi	134,000	1.3	130,100	+ 3.0
Honda	123,700	1.2	108,500	+14.0
Others	392,700	3.8	407,000	- 3.5
Total	10,386,600	100.0	10,474,400	- 0.8

*Does not add to 100 because of rounding

**Includes Alfa Romeo, Lancia

†Includes Jaguar

***Peugeot, Citroen

****Opel, Vauxhall, Isuzu, North America, Saab

tion in its Italian domestic market this year, fell 12.7 percent, to 120,000 units in September. For nine months, the group, which includes Fiat, Alfa Romeo, Lancia and Ferrari marques, was off 3.8 percent, to 1,480,900 units, equal to a 14.3 percent European share.

Peugeot S.A., including the Peugeot and Citroen badges, accounted for 12.9 percent of the market through the first three quarters on sales of 1,335,700, virtually unchanged from last year. Peugeot S.A. sales rose 4.2 percent to 114,600 in September.

Sales for fourth-place Ford of Europe, including Jaguar, totaled 1,210,500 after nine months, a drop of 3.2 percent from 1989. Market share was 11.7 percent. Ford fell 6 percent, to 101,800 in September.

General Motors was next at 1,190,100, an 11.5 percent share

and an increase of 2.9 percent — the best performance this year among Europe's six volume producers. But GM sales in September slipped 2 percent, to 109,300.

Renault rounds out the top six with nine-month sales of 1,019,900, off 3.3 percent from last year and a 9.8 percent share.

Combined Japanese penetration was 11.7 percent after the first nine months, compared with a 12-month share of 10.9 percent in 1989. Sales were 1,213,800 this year, a 5.9 percent increase. Nissan was tops among the Japanese with a share of 2.9 percent on sales of 305,500 cars, 5 percent lower than last year.

Mazda is the fastest-growing of all major makes in Europe this year, with a 24.9 percent sales surge to 217,800 units.

Among national markets, the

United Kingdom, Italy, France and Spain declined in September. Britain fell 10.6 percent to 153,600 units, according to preliminary estimates, and was off 11.6 percent for nine months to 1,698,200.

France dropped 11.6 percent, to 139,100 in September; nine-month sales were up 3.4 percent at 1,733,500. Italian demand fell 7.8 percent, to 150,000 units in September. For nine months, Italian sales were 0.7 percent ahead of 1989, at 1,842,300.

Spain's sales plunged 23 percent in September, to 53,800, and were off 9.2 percent for nine months to 775,800 units.

The rising German market was 6.1 percent ahead of 1989 through September, with sales of 2,291,700 cars. Demand appears to be on track to break the 1987 record of 2.92 million.

Output, sales, exports fall in Brazil

RIO DE JANEIRO — The Brazilian auto industry posted sharp declines in production, home-market sales and exports for the first nine months of 1990, the industry trade group ANFAVEA has reported.

Output by the 12 Brazilian and foreign manufacturers through September fell 16.06 percent from a year earlier, to 644,063 units, the group said. It attributed the decline to industry compliance with government-decreed production

curbs, a 50-day strike at Ford and the impact of parts shortages.

Production for the full year is likely to be off 15 percent from last year, it said.

Nine-month sales in Brazil, continuing to feel the pinch of the government's anti-inflation program, were down 14 percent from the year-earlier period, to 492,329.

Exports through September plunged 26.2 percent to 141,399 units, reflecting an overvalued

Brazilian currency, the trade group said. The industry shipped \$172 million worth of vehicles abroad during the first nine months, down 25.5 percent from the same 1989 period.

Although the industry comprises 12 manufacturers, more than 97 percent of Brazil's vehicle output is accounted for by four producers: Volkswagen, General Motors, Fiat and Ford.

— Rik Turner

Ford hikes Australian prices 3.8% amid heavy incentives

By Petr Davis
SPECIAL CORRESPONDENT

SYDNEY, Australia — Ford Motor Co. of Australia Ltd., following the lead of its U.S. parent, has raised retail prices an average of 3.8 percent despite heavy incentives by local manufacturers.

The action came on the heels of Ford's introduction of a special edition Falcon lineup to celebrate 30 years of domestic production.

Retail prices of the revamped line range from \$19,300 (U.S.) for a GL sedan with manual transmission to \$43,940 for the extended-wheelbase LTD.

Ford said the price increase reflects equipment upgrades for the 10 Falcon models and their derivatives, with special emphasis on improved anti-theft security.

Speaking at the introduction of the new models, Bill Hartigan, vice president of sales and marketing, predicted that 620,000 new vehi-

cles will be sold in Australia this year, followed by a slight reduction in 1991.

Although artificially buoyed by heavy incentives, sales in that range would make 1990 Australia's best sales year since 1985. Hartigan said he expects all companies to continue to offer incentives at least until mid-1991, which will have an adverse effect on profits.

Ford, Australia's market leader for several years, has seen its lead eroded by its competitors' heavy incentives.

Official industry figures showed Ford with 21.8 percent of the new vehicle market in August, a full 2 points ahead of No. 2 Toyota, but still its lowest monthly share since 1984.

On a year-to-date basis, Ford had a 23 percent share through the end of August, Toyota 20.4 percent, and General Motors-Holden's Automotive, 17.6 percent.

Diablo delivery slated to begin in February

TURIN, Italy — Lamborghini S.p.A. confirmed that it will begin worldwide deliveries of its \$200,000-plus Diablo in February.

Retail orders taken now will be for delivery in the spring of 1993, the company said.

Lamborghini has said it will produce only 500 Diablos a year. Powered by a 5.7-liter V-12 turning out 485 horsepower, the car is rated at 202 mph, making it the world's fastest production vehicle.

A four-wheel-drive version, the Diablo VT, is on schedule for delivery at the end of 1991, Lamborghini said.

— Luca Ciferri

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Canada luxury sales hurt by indirect taxes

By Jeremy Sinek
SPECIAL CORRESPONDENT

TORONTO — Pressured by indirect taxes, luxury-car sales in Canada have fallen four years in a row.

While makers disagree on what can be called luxury cars, the numbers used by Jaguar Canada show a steady decline: From 29,221 in 1987, to 27,638 in 1988, to 25,212 in 1989 and to an estimated 22,000 in 1990.

Canada used to sell one luxury car for every 20 sold in the United States, but it has now fallen to one for every 25. Canada's overall market of about 1 million car sales is about 10 percent of the U.S. total.

While there is no direct luxury tax on cars as proposed in the United States, two tax laws directly affect large, expensive autos.

The first was the 1987 imposition of a \$20,000 (U.S. \$17,000) ceiling on the amount of the purchase price that can be claimed as depreciation against federal income tax. Previously, there was no limit.

That amounts to "a substantial indirect tax" on luxury cars, says Peter Menzel, immediate past president of the Federation of Automobile Dealer Associations of Canada. The ceiling was raised to \$24,000 in 1989.

The other tax is unique to Ontario, the nation's largest province: a gas-guzzler tax introduced in July 1989.

Luxury-car sellers say the effect of that tax was disguised by an already softening market, but "this is a further misfortune," said John Arnone, manager of communications and public affairs for Jaguar Canada. "It's never been this difficult to do business in Ontario."

Arnone and others argue that the gas-guzzler tax is a thinly disguised discriminatory measure against European imports. They say it's no coincidence the 24.8-mpg threshold, based on highway mileage, is just low enough to exempt all domestics except Ailante, Corvette with automatic transmission and General Motors products with the optional 5.7-liter V-8. The mpg figure is based on Imperial gallons.

The \$600 first tier of the tax (19.5 to 24.7 mpg) snares the Audi V8, five Jaguars, half the BMW range, most Mercedes-Benz models, the Porsche 928 and several Saabs and Volvos.

The Jaguar V-12 and Mercedes V-8 sedans take a \$1,200 hit in the next level (15.7 to 19.4 mpg). Rolls-Royces are penalized \$2,200 (U.S. \$1,900) for mileage below 15.6 mpg.

BMW Canada President Victor Doolan estimates that with Canada's combination of higher prices (inflated by import duties and taxes) and lower after-tax disposable incomes, it takes two years to "earn" a luxury car in Canada compared with one year in the United States.

But there is a dim light at the end of the tunnel.

If it becomes law, Canada's controversial new 7 percent Goods and Services Tax, which would replace a present "hidden" 13.5 percent manufacturer's tax, should reduce automobile prices by 3 to 5 percent beginning Jan. 1.

GMAC subsidiary to administer casualty insurance for dealers

By Phil Frame
AUTOMOTIVE NEWS STAFF REPORTER

Motors Insurance Corp. on Dec. 1 will replace Royal Insurance Group as primary underwriter for property and casualty insurance for General Motors franchisees.

As Motors Insurance, a subsidiary of General Motors Acceptance Corp., moves into the property and casualty insurance market, it also will add underground storage tank liability coverage that some dealers have found hard to get, said Sheldon Barquist, Motors Insurance vice president for marketing and development.

By Oct. 1, 1991, dealers who have underground fuel tanks are required to have coverage for liability that might arise if the tanks leak. The Environmental Protection Agency requires minimum coverage of \$500,000 per occurrence and \$1 million total.

Royal, based in Charlotte, N.C., since 1985 has been the primary carrier for the property and casualty insurance package, called "Protection Plus — The Preferred Insurance Plan For GM Dealers."

"We wanted to get into the commercial liability business, and we wanted to be certain underground storage tank coverage was available to our dealers," Barquist said. "Dealers have said they were having a difficult time acquiring that coverage."

Dealers will have to demonstrate that they are in compliance with EPA regulations for underground tanks before they can get insurance, he said.

Detroit-based Motors Insurance has been involved with GM-dealer insurance since 1978 as a principal reinsurer. PDP Group Inc. of Hunt Valley, Md., which has been involved in administering the plan, will continue that role when Motors Insurance takes over.

Motors Insurance intends to institute training programs for dealers to help them manage property and casualty insurance costs.

"If a dealer is going to control this area of operating expense, the dealer has to have a very scientific approach to loss avoidance. In other words, don't have any losses," Barquist said. Barquist said Motors Insurance will show dealers how to keep insurance premiums down by improving in areas such as employee selection, driver training, dealership housekeeping, control of loaned vehicles, fire protection and safety training.

Insurance policies that expire before Dec. 1 will be renewed for one year by Royal. When the renewed policy expires in 1991, Motors will take over the coverage.

U.S. AUTOMOTIVE TRADE

(x \$1,000)

Passenger cars and light trucks (up to 10,000 lbs. gvw)

Country	Trade	June 1989	June 1990	Annualized trade July 1988-June 1989	Annualized trade July 1989-June 1990
Japan	from U.S.	\$ 18,799	\$ 36,785	\$ 353,629	\$ 455,421
	to U.S.	1,725,948	1,452,541	20,583,375	19,517,697
Canada	from U.S.	520,341	624,774	6,249,471	6,414,704
	to U.S.	1,136,571	1,429,945	12,757,366	13,180,706
West Germany	to U.S.	265,897	496,634	5,870,105	5,424,770
South Korea	to U.S.	128,258	60,596	2,279,194	1,070,377
Sweden	to U.S.	119,601	128,033	1,806,466	1,627,495
Mexico	to U.S.	150,120	233,803	1,342,247	1,157,047
Yugoslavia	to U.S.	0	1,694	17,900	3,901
United Kingdom	to U.S.	59,502	58,444	948,762	896,855
Italy	to U.S.	25,365	16,643	196,890	275,371
France	to U.S.	7,598	3,347	137,834	9,064
Brazil	to U.S.	39,524	0	275,668	190,473
Others	from U.S.	167,631	244,110	2,172,473	2,659,557
	to U.S.	19,227	48,187	376,088	447,642
Car and truck total	from U.S.	824,213	1,060,634	10,613,776	11,292,007
	to U.S.	4,401,093	4,599,054	54,243,919	51,708,497
VEHICLE TRADE BALANCE		(3,576,880)	(3,538,420)	(43,630,143)	(40,416,490)
Car total	from U.S.	706,772	905,668	8,775,572	9,529,682
	to U.S.	3,667,610	3,902,867	46,591,896	43,801,398
CAR TRADE BALANCE		(2,960,838)	(2,997,199)	(37,816,324)	(34,271,716)
Truck total	from U.S.	117,441	154,966	1,838,204	1,762,325
	to U.S.	733,483	696,187	7,652,023	7,097,099
TRUCK TRADE BALANCE		(616,042)	(541,221)	(5,813,819)	(6,144,774)
TOTAL U.S. Merchandise trade	from U.S.	31,583,800	34,296,300	346,527,400	378,872,600
	to U.S.	39,535,800	39,367,100	458,651,200	479,720,600
TRADE BALANCE		(7,952,000)	(5,070,800)	(112,123,800)	(100,848,000)

Exports help reduce June auto trade deficit

WASHINGTON — The U.S. automotive trade deficit in passenger cars and light trucks shrank 1.1 percent in June, helped by a 28.7 percent increase in exports.

Trade analysts continue to cite weakness in the U.S. economy and increased domestic production by foreign-owned automakers as the chief reasons for the improved trade picture.

The June trade deficit in vehicles was \$3.54 billion compared to \$3.58 billion in June 1989. The total value of imports was \$4.6 billion. Exports were valued at \$1.06 billion.

The value of all new-vehicle imports for June was 4.5 percent more than last year. The value of Canadian imports increased 25.8 percent. Other countries registering an increase in the value of shipments were: West Germany, 86.8 percent; Sweden 7.1 percent; Mexico, 55.7 percent; and countries grouped as "others" by the Commerce Department, 150.6 percent.

Imports from Yugoslavia totaled nearly \$1.7 million in June, compared to zero in June 1989.

The value of Japanese shipments was off 15.8 percent for the month.

Other countries experiencing a decrease in the value of U.S.-bound shipments were South Korea, 52.8 percent; United Kingdom, 1.8 percent; Italy, 34.4 percent; and France, 55.9 percent. Brazil sent no cars to the United States in June.

The value of new-vehicle exports to Canada jumped 20.1 percent in June, and shipments to Japan were up an impressive 95.7 percent for the month. Exports to Japan are up 28.8 percent over the past year.

Exports to countries grouped as "others" by the Commerce Department were up 45.6 percent in value in June.

MOUNT

FROM PAGE 6

ancellation Technologies mounts utilize electrical or hydraulic actuators, but the electronics software and hardware are basically similar. Aura says it has installed an active-mount system in some navy ships and some military aircraft. Details on the Aura system have not been released.

Lotus predicts that active engine mounts will be in an up-market European sedan within two years. Noise Cancellation Technologies said it has successfully demonstrated an active engine-mount prototype developed under contract with Chrysler and "a major European car manufacturer." And General Motors is expected

to announce a contract with Noise Cancellation Technologies.

"NCT's active mount impressed us all by far outreaching the level of vibration reduction that any of us expected," said Christofer A. Wolfe, a product engineer for Jeep/Truck Engineering at Chrysler, in a Noise Cancellation Technologies press release. "At the beginning of the project we had no idea the results would be so dramatic."

A spokesman for Lotus said the active mounts would likely be about twice as expensive as the most sophisticated hydraulic mounts. That would mean a single mount would cost about \$75. All systems would require at least two of the mounts to be effective. The

control electronics would also add approximately \$10 to \$20 additional cost. But the electronics could cost considerably more depending upon their sophistication.

Michael J. Parrella, president of Noise Cancellation Technologies, said the cost of his mounts would be similar.

High-revving four-cylinder engines of modest displacement can reliably make 200-plus horsepower with supercharging, turbocharging and multi-valve cylinder head technology. But four cylinder use has been limited — with some significant exceptions — to low-budget cars and trucks or sporty models where vibration and noise are more readily tolerated by

buyers.

The traditional methods of damping powertrain vibrations are engine-powered balance shafts and heavy damping weights. Balance shafts, which weigh approximately 20 pounds, are currently used in the engines of General Motors, Ford Motor Co., Chrysler Corp., Mitsubishi Motors Corp., Porsche AG, Saab Scania AB and Volvo Car Corp.

Damping-weight systems, which modify the resonant frequencies of body, chassis and powertrain components, are even more widely used than balance shafts. These range in weight from 5 to 25 pounds.

The Lotus-Freudenberg system

consists of conventional hydraulic engine mounts adapted to house an electrical actuator that is controlled by a computer. The actuator is controlled so that the force from the moving engine mass is not transmitted to the body or powertrain cradle.

The actuator's movement is determined by the system's computer using chassis-mounted accelerometers and an engine-speed sensor. The computer then shortens or lengthens the mounts in order to minimize the input from the vibrating engine.

Special Correspondent Ian Adcock in Norfolk, England contributed to this report.

VW

FROM PAGE 6

about twice what Renault would commit — is understood to have at the German company in the driver's seat.

Volvo, which is linked to Renault through a cross-shareholding pact, is in recent weeks entered the talks alongside its French partner.

Renault officials have said they could consider producing a new small Renault model at the Mlada Leslava plant, while Volvo chairman Pehr Gyllenhammar said at the recent Paris Auto Show that he would like Skoda to produce the aging Volvo 240 series.

AZNP officials have insisted that any new partner will have to double production, maintain the Skoda brand name, sell and service Skoda models through Western networks and settle for minority ownership.

But, VW is not expected to ac-

cept a minority stake.

Meanwhile, Hahn is tentatively scheduled to sign an accord in China late next month to build a plant in the city of Changchun in a joint venture with a local carmaker. The factory could be producing up to 150,000 Golf/Jetta subcompacts annually by 1996.

VW's partner in the Changchun venture is First Automobile Works, which now assembles Audi 100 kits under a separate agreement. A feasibility study launched in 1988 on the second stage was concluded earlier this year and given a favorable recommendation. Approval by Chinese government officials is still pending.

VW is expected to invest about 1.5 billion marks (\$980 million) in the venture. Semi-knockdown kit production would begin in 1991 and regular production would

commence in 1993.

VW's existing deal with First Automobile Works, signed in 1988, covers licensing of the Audi 100 and delivery of tools, supplies and parts for local assembly. VW's separate Shanghai Volkswagen Auto Co. Ltd. venture in the city of Shanghai produces the Santana sedan, based on the previous-generation Passat.

If realized, the accords would continue VW's pattern of investing aggressively in foreign production, especially in former Soviet-bloc countries. The carmaker, the world's fourth biggest behind General Motors, Ford and Toyota, recently broke ground on a planned 5 billion mark (\$3.3 billion) plant in the former East Germany.

The factory, in Mosel, is scheduled to reach an annual capacity of 250,000 Golf models by 1994.

SALES

FROM PAGE 6

both the Middle East and in Congress promise to keep consumers apprehensive," Webb said. "People simply don't have the money or confidence to buy in the present market."

Each of General Motors' car and truck divisions reported sales increases this year. Led by Buick's 59.6 percent gain, GM car sales were up 30.4 percent from a year ago. GM's truck sales rose 20.8 percent.

Ford Motor continued to have problems with Ford Division; every nameplate was down except Escort, which had a 23.14 percent increase. Probe sales were down 56.96 percent; Tempo sales dropped 49.06 percent.

Chrysler Corp.'s car sales rose 15.5 percent for the 10-day period. Eagle was the only make to report lower sales. Eagle Premier sales

were off 67.51 percent. Truck sales were lower across the board; the combined dip was 16.7 percent.

The transplant automakers continued to roll along.

Sales of U.S.-built Mazda cars totaled 1,184 for a 167.9 percent increase over last year. Mazda also sold 154 Navajos. It was the first report on sales of the Explorer-based two-door sport-utility that Ford is building for Mazda.

Nissan reported improved performances by both its domestic cars and trucks for a combined sales jump of 27.9 percent.

The Civic lost steam, but the Accord was a boon as sales of Ohio-built Hondas rose 37.8 percent. Civic sales were off 204 units to 3,401, but Accord jumped 87.6 percent to 5,912 from 3,152.

Mitsubishi sold 1,092 U.S.-built cars, a 20.1 percent increase over last year.

CONGRESS

FROM PAGE 3

the Buick-Oldsmobile-Cadillac group, a post he held since Feb. 3, 1986. He is a member of GM's Administration and Management Committees.

Hoglund was born of American parents in Stockholm, Sweden, on August 22, 1934. He received a bachelor's degree in economics from Princeton University in 1956 and a master's degree in business administration from the University of Michigan in 1958.

Hoglund began his GM career in 1958 with the former Buick-Oldsmobile-Pontiac Division, serving in the accounting departments of the division's central office, as well as its Kansas City, Kan., plant.

He was transferred to the GM Comptroller's staff in 1964 and moved to the Pontiac divisional financial staff a year later. In 1969 he was named an assistant comptroller for Pontiac.

Hoglund was promoted to the GM Treasurer's office in New York as director of financial analysis in 1971 and a year later became an assistant treasurer. He returned to Pontiac as divisional comptroller in 1974 and was named comptroller of GM in 1978. In 1980 he was named a GM vice president and general manager of Pontiac.

Hoglund is generally credited with sparking the development of new products and reviving the performance-car marketing style that revitalized Pontiac in the mid-

1980s.

Hoglund was appointed group executive in charge of the central office operating staff group in 1984 and in 1985 was named president of GM's Saturn Corporation subsidiary.

He is one of more than 30 faculty members of the 15th assembly of the Automotive News World Congress, co-sponsored by the University of Michigan Transportation Research Institute.

The Congress will be held in conjunction with the North American International Auto Show.

For further World Congress information, write Wendy Barhydt, Automotive News World Congress, UMTRI/OSAT, 2901 Baxter Road, Ann Arbor, Mich. 48108-2150, or telephone 313-936-1049.

QUALITY

FROM PAGE 3

want to know more about quality at General Motors," Quigley said. "This is a way to bring about integration to everyone, regardless of what division they work for."

The new effort is aimed at reinforcing sales referral programs at the plant or division level that encourage employees to get friends, relatives or neighbors to visit a GM dealership to shop for a vehicle. Such programs, which go by different names including "GM Proud," have been around for years.

Much of the information in the new folder and wallet card is in print and television advertising for the "Putting Quality On The Road" campaign, said GM spokesman Harold Jackson.

Employees and retirees can whip out a wallet card and recite J.D. Power and Associates survey results and other details such as:

● "In 1989, there was a higher percentage of 1979 GM cars still on the road than '79s from Ford, Chrysler, Toyota, Nissan or Honda."

● "A GM study shows that our automatic transmissions are more problem-free than those of any domestic competitor — and most imports."

The new communications effort seeks to capitalize on estimates that "one of every five people in the U.S. knows a GM employee or retiree," Quigley said.

It may not stop there.

Quigley said GM is thinking about enlisting the support of the estimated 365,000 employees in GM dealerships, and possibly sup-

● I think it's very good. It explains the quality and shares information with us that we might not have been aware of. I think the whole program is trying to explain where we stand with quality. ●

James Wenzel
GM employee

pliers and shareholders.

Automotive News asked a handful of GM employees about the fact book and card. Some said they had only glanced at the information or hadn't seen it at all, while others thought it would come in handy.

Patrick Kavanagh, manager of personnel administration at Cadillac, said he hasn't put the card or folder to use yet, but intends to.

"It's something I would share with some of my best friends — especially those who have foreign cars," he said.

James Wenzel, manager of sales and service training at GMC Truck & Bus Group, said of the card: "I have mine in my billfold because I want to refer to it once in a while. I think it's very good. It explains the quality and shares information with us that we might not have been aware of. I think the whole program is trying to explain where we stand with quality."

WORLD CONGRESS REGISTRATION

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Account No. _____

Expiration Date _____

Signature _____

The amount covers:

☐ \$550 Early Bird Registration, mailed by Nov. 21.

☐ \$650 Registration, mailed after Nov. 21.

☐ \$100 Non-refundable deposit. (Balance may be paid at World Congress desk.)

☐ \$275 One-day registration

☐ Monday, Jan. 14, or ☐ Tuesday, Jan. 15.

☐ \$75 for Tuesday Evening Gala only, per person.

Tables for 10 available. (Gala included in full registration.)

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Attn: Wendy Barhydt, Conference Manager

Ford dealers get Super incentive

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Division is trying to regain the car sales lead from Chevrolet by offering trips to the Super Bowl to top performers in their districts.

Ford announced last week that it will offer a five-day/four-night trip to Super Bowl XXV in Tampa, Fla., Jan. 27, or an alternative \$1,000 cash prize to dealers who achieve the highest percentages of their car sales quotas from Oct. 1 to Dec. 10. Extra points are avail-

able for meeting October quotas and Red Carpet lease quotas for Ford cars and trucks.

At the end of nine months, Ford trailed Chevrolet by 56,987 car sales; a year earlier, Ford led by 115,511.

Dealers received their car sales quotas Oct. 2 and were to notify Ford by Oct. 10 if they were not participating in the Super Bowl trip contest. Ford is charging participating dealers a \$200 enrollment fee. That fee will be given back to the participating dealer if he meets 100 percent of his objective and does not win.

According to a dealer memorandum, dealers will compete against other dealerships in their districts. All 1989, 1990 and 1991 Ford cars leased or sold from Oct. 1 to Dec. 10 will be counted toward the dealers' quotas. Dealers can earn a bonus of five percentage points by achieving 100 percent of their October car sales quotas. Five additional percentage points will be given to dealers who meet their Red Carpet lease objectives.

Some big fleet orders may not help dealers meet their quotas; Ford said units beyond the first 10 sold or leased to one customer are ineligible. Sales to Ford employees, retirees or vendors (Plans A, X or Z) are eligible.

In other incentive news, Ford has switched from dealer to consumer cash on 1990 Escorts, Festivas and Rangers. The program began Oct. 18 and ends Dec. 11. Cut-rate loans are available instead of the cash rebate.

Rebates on 1990 models are \$700 on Festiva, \$1,000 on Escort and \$1,500 on Ranger. The loan rate is 7.9 percent for 12 to 48 months.

Ford said it is switching to customer cash on those models because they are the most fuel efficient vehicles in Ford's lineup and buyers of those vehicles are "more dependent on customer cash than the average customer."

A Ford spokesman said Ford is not in trouble with corporate average fuel economy ratings, but the Middle East crisis has made consumers more sensitive to mpg.

Excluded from the program are sales to residents of California, Oregon, Alaska, Washington or Hawaii. Special rate Red Carpet Lease plans are not available for cash assistance.

From Oct. 18 to Dec. 11, Ford also increased dealership cash from \$1,500 to \$2,000 on 1990 Bronco models with RV converter packages. In addition, Ford increased customer cash from \$500 to \$750 on 1991 Crown Victorias (excluding the S model) and from \$500 to \$1,000 on 1991 Rangers equipped with automatic transmissions.

The Crown Victoria program runs from Oct. 18 to Jan. 31; the Ranger program runs from Oct. 18 to Dec. 11. Both the Crown Victoria and Ranger customer cash programs exclude sales to residents of California, Oregon, Alaska, Hawaii and Washington.

NHTSA upgrades probe of Taurus/Sable brakes

By Diana T. Kurylo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The federal government has upgraded its defect investigation of the brakes on the Ford Taurus and Mercury Sable.

The National Highway Traffic Safety Administration said the brakes on 1.8 million Taurus/Sable models built since 1985 could be prone to corrosion. Engineers have been assigned to study the cars' braking systems.

NHTSA said the brakes are made with a two-piece rotor that can corrode, separating the disc from the hub. The brake pads clamp down on the disc, but the wheels keep rolling.

NHTSA said it has received complaints from owners of older Taurus and Sable models in geographic areas with severe

winters. To check for the possible defect, the disc must be pulled off, NHTSA said.

NHTSA also opened several preliminary investigations last month:

● 1986 Ford Bronco, Bronco II, 170,000 vehicles, dirt and moisture may be trapped between the fuel tank and a protective skid plate causing corrosion and fuel leaks.

● 1988-89 Eagle Medallion, 33,130 cars, wiring harness may overload and melt, resulting in fire.

● 1989-90 Jeep Cherokee, Wagoneer, Comanche, 330,000 vehicles, front left brake hose may break, causing loss in braking.

● 1989 Buick Reatta, 6,300 cars, steering may severely pull to the right or left during hard braking.

● 1990 Honda Accord, interior door handles may break off.

Ford ups brake warranties for Thunderbirds, Cougars

DEARBORN, Mich. — Ford Motor Co. has extended warranty coverage on front brake rotors and linings on 407,522 of its 1989-90 Thunderbirds and Cougars from 12 months/12,000 miles to 24 months/24,000 miles, or until May 31, 1991, whichever provides the greatest coverage.

In some cases, according to John P. King, parts and service engineering office manager for Ford Parts and Service Division, uneven front brake rotor

wear could cause the vehicle to vibrate and the steering wheel to shake during braking.

Fewer than one-third of the vehicles are expected to experience any of those symptoms at 24,000 miles.

To correct the condition, dealers will install a revised front brake rotor and new disc brake linings; Thunderbird Super Coupe and Cougar XR7 models will receive only the new rotor.

INCENTIVE WATCH CUSTOMER INCENTIVES

Company	Rebate	Expiration Date
Chrysler Corp. (1989-90)		
Chrysler	\$500-2,000	12/16
Dodge cars	\$1,000-2,500	12/16
Dodge trucks	\$500-2,500	12/16
Eagle	\$1,000-2,500	12/16
Jeep	\$1,000-3,000	12/16
Plymouth	\$1,000-1,300	12/16

Finance rate, in lieu of rebate, starts at 7.9 percent.

Chrysler Corp. (1991)		
Chrysler	\$500-750	12/16
Dodge cars	\$400-1,000	12/16
Dodge trucks	\$500-750	12/16
Eagle	\$400-500	12/16
Jeep	\$300-3,000	12/16
Plymouth	\$400-500	12/16

Ford Motor Co. (1990)		
Festiva	\$700	12/11
Escort	\$1,000	12/11
Ranger	\$1,500	12/11
Lincoln	\$1,500	12/11

Ford Motor Co. (1991)		
Ford cars	\$500-750	12/11
Ford trucks	\$500-1,000	12/11
Mercury	\$500-750	12/11

Finance rate, in lieu of rebate, starts at 7.9 percent. Rebate on 1991 Crown Victoria expires Jan. 31, 1991.

General Motors (1990)		
Buick Reatta*	\$3,000	12/12
Other Buick*	\$250-1,000	12/12
Cadillac	\$1,500	12/12
Chevrolet Geo	\$500-1,250	12/12
Other cars	\$500-1,000	12/12
Geo Tracker	\$1,000	12/12
Other trucks	\$500-1,000	12/12
Oldsmobile	\$1,500-2,500	12/12
Pontiac	\$500-1,000	12/12

*Based on option package selected. All makes except Cadillac offer cut-rate financing in lieu of rebates.

General Motors (1991)		
Buick Reatta*	\$3,000	12/12
Other Buick*	\$250-1,000	12/12
Cadillac	\$1,500	12/12
Brougham	\$1,500	12/12
Chevrolet Geo	\$500-800	12/12
Other cars	\$500-1,000	12/12
Geo Tracker	\$500-1,000	12/12
Other trucks	\$500-1,000	12/12
Oldsmobile	\$500-1,500	12/12
Pontiac	\$500-750	12/12

*Based on option package selected. All makes except Cadillac offer cut-rate financing in lieu of rebates.

Hyundai (1990)		
	\$500-1,250	12/3

Mazda (1990)		
Cars	\$750-1,500	11/2
MPV	\$886-1,246 discount on option packages	11/2
Trucks	\$750-1,000 discount on option package	11/2

Mitsubishi (1989-90)		
Cars	\$500-2,000	10/31
Montero	\$2,000	10/31
Montero (1991)	\$1,000	10/31

Subaru (1990)		
Justy	\$500-1,000	11/2
Loyale	\$800-1,500	11/2

Note: Some makers offer rebates to buyers of 1988 and 1989 models. Those programs are omitted from this table because of the limited number of those vehicles still in dealers' hands.

INCENTIVE WATCH DEALER INCENTIVES

Company	Rebate	Expiration Date
Chrysler Corp. (1989-91)		
Cars & trucks	\$250-1,000, quota	12/31

Ford Motor Co. (1990)		
Ford cars	\$1,000-1,400	12/11
Taurus SHO	\$3,000	12/11
Trucks	\$1,100-1,500	12/11
Mercury	\$1,000-1,500	12/11

Audi (1990)		
100 Series	\$3,000	12/31

Hyundai (1990)		
	\$150-500, quota	12/3

Isuzu (1990)		
Impulse	\$1,500	12/31
Trooper	\$1,700	12/31
Pickup	\$1,700	12/31

Mitsubishi (1989-90)		
Cars	\$500-2,250	10/31
Montero	\$2,000-2,500	10/31
Trucks	\$600-1,000	10/31

Mitsubishi (1991)		
Cars	\$150-500, based on number sold	10/31
Montero	\$1,000	10/31
Trucks	\$600-1,000, based on number sold	10/31

Nissan (1990)		
Sentra	\$500-1,500	12/31
Stanza	\$800-1,500, based on number sold	12/31
Maxima	\$200-700, based on number sold	12/31
240SX	\$1,000-2,000, based on number sold	12/31
Trucks	\$1,200	12/31

Nissan (1991)		
Trucks	\$400-800, based on number sold	1/4

Peugeot (1989)		
405	\$2,500-3,500	None

Subaru (1990)		
Legacy	\$1,500-2,500	11/2

Suzuki (1990)		
Swift	\$400-1,400, based on number sold	12/3
Sidekick	\$1,000-2,000, based on number sold	12/3

Suzuki (1991)		
Swift	\$500-1,000, based on number sold	12/3
Sidekick	\$1,000-2,000, based on number sold	12/3

Toyota (1989-90)		
Terrel, Camry, Corolla	\$200-1,200, quota	11/2

Toyota (1991)		
Corolla, Camry	\$200-1,000, quota	11/2

Volkswagen (1990)		
Golf	\$500	12/31
Fox	\$500	None
Corrado	\$1,500	None

Note: Some makers offer rebates to dealers on sales of 1988 and 1989 models. Most of those programs are omitted from this table because of the limited number of those vehicles still in dealers' hands.

CROWN VIC

FROM PAGE 3

Division general fleet manager.

Crown Victoria also got the nod at retail buyer clinics conducted by Ford earlier this year in Cincinnati and Tampa, Fla.

With its new Crown Victoria, Ford hopes to remain strong in the police and taxi markets. The division estimates that fleets will account for 37,800 units — about 27 percent of 1990-91 Crown Victoria sales. Approximately 90 percent of fleet sales are police and taxi packages.

According to a source at Chevrolet, the division expects to sell 60,000 Caprice fleet units in the 1990 calendar year including 35,000 police cars and 5,000 taxis. Fleet units make up about half of Caprice sales.

But the police car package for the restyled Crown Victoria will not go into production until early 1992 (nearly a year after regular

OBITUARIES

Edwin Davis King Jr.

FREEPORT, Bahamas — Edwin Davis "Sunny" King Jr., owner/operator of King Motor Co. Inc. of Anniston, Ala., died Sept. 11. He was 64. King Motor Co. operates 11 dealerships in Auburn, Birmingham and Sylacauga, Ala.

King won the American Independent Automobile Dealers Association-Sports Illustrated Dealer of Distinction Award in 1986 and

the Time Magazine Quality Dealer Award in 1988.

R. John Oshei

BUFFALO, N.Y. — R. John Oshei, chairman and chief executive officer of Trico Products Corp. from 1968 to 1989, died Sept. 29. He was 80. The company manufactures windshield wipers and other equipment for the auto industry.



POPULAR MECHANICS/JIM BURNIE

1992 Mercury Grand Marquis has more formal roofline than Crown Victoria.

production begins), according to information Ford gave police fleet buyers.

Production Job No. 1 for the 1992 Crown Victoria and Grand Marquis will be Jan. 14, 1991, at the St. Thomas, Ontario, plant. Chevrolet recently began producing 1991 police-package Caprices.

In the police package, Ford will use the 4.6-liter modular V-8 engine, produced at its Romeo, Mich., engine plant, and a transmission partially controlled by electronics,

according to information supplied to police fleet buyers by Ford. The regular Crown Victorias will also have the 4.6-liter modular V-8, but no information was available last week on the transmission.

Ford officials will not comment on specifications of the 1992 or 1993 Crown Victoria. Engine Division officials have said in the past that the next car to receive the 4.6-liter modular V-8 would be the Crown Victoria and Grand Marquis.

CHRYSLER

FROM PAGE 2

favors the system because it could create about 1,100 additional jobs.

Chrysler Motors President Robert Lutz hopes the two sides can come to an agreement on the four-day work week in St. Louis. "That is something that we will be discussing with the UAW among other issues," Lutz said last week.

He said it may not be limited to St. Louis II. "Our hope would be if we were able to come to an agreement on that, it would be a more generalized and conceptual agreement on alternative work schedules, rather than confined to any one plant."

Chrysler workers have been kept to date on the progress of the talks via UAW newsletters. Last week's update included the issue of the three-crew system at St. Louis, said a union official at UAW Local 110, which represents the St. Louis workers.

"Workers are concerned that they won't have any say-so in the matter if the three-crew system is negotiated into the national pact," the union official said. He said workers' objections remain the same as they were last November: They want union-bargained overtime for working weekends and beyond eight hours daily. "Two-thirds of the plant would work every weekend," he said.

General Motors is interested in the three-crew system for some of its plants. In August, a study team composed of union and management officials from GM's Lordstown, Ohio, plant visited auto plants in Europe that use the system. A union official at Lordstown declined to comment until a report is completed.

Chrysler officials say the new contracts at Ford and GM, which include increased pensions and wages, are too inflationary for the No. 3 automaker, which has a higher percentage of pensioners and older workers than Ford and GM.

Automotive News Staff Reporter Mary Connelly contributed to this report.

Polish maker faces bankruptcy, but salvages Fiat deal

FRANKFURT, Germany — The Polish automaker Fabryka Samochodow Osobowych, or FSO, is reportedly faced with bankruptcy following the veto of a price increase by the government's anti-monopoly agency.

However, a Fiat Auto spokesman said the Italian automaker does not believe its pending co-production deal with FSO is endangered.

FSO, which produces the 1500 and Polonez sedans in Warsaw, has tentatively agreed to a \$1 billion joint venture with Fiat that calls for production of 120,000 Fiat-designed cars a year by 1994.

Fiat earlier this year won out over Daihatsu for a contract to provide technology to put the Tipo subcompact into production, but the final agreement is still pending.

The Fiat official said he still expects the FSO agreement to be concluded by the end of the year.

Poland's anti-monopoly agency ruled that FSO abused its status as the country's only sedan manufacturer by raising prices when demand increased in July, and has ordered that prices be rolled back.

— Richard Johnson

PRODUCTION

U.S. CAR

	Week Ended Oct. 20, 1990	Week Ended Oct. 13, 1990	Oct. to Date	Jan. 1 to Oct. 20, 1990	Jan. 1 to Oct. 21, 1989
Horizon	0	0	0	4,327	26,121
Sundance	2,400	2,413	7,242	71,829	83,791
Acclaim	3,100	3,231	9,524	92,849	102,707
Total Plymouth	5,500	5,644	16,766	169,005	212,619
LeBaron A	0	0	0	8,071	0
LeBaron J	1,400	1,426	4,155	43,710	85,656
LeBaron GTS	0	0	0	0	2,946
N. Yorker C-Class	600	616	1,852	31,752	67,057
Fifth Avenue	1,000	1,032	3,131	28,691	19,918
Imperial	400	449	1,316	15,624	1,140
Total Chrysler	3,400	3,523	10,454	127,486	176,717
Omni	0	0	0	4,078	27,891
Daytona	900	928	2,728	29,100	66,676
Shadow	2,300	2,409	7,076	79,737	81,909
Dynasty	2,600	2,803	8,070	96,311	106,901
Lancer	0	0	0	0	1,528
Spirit	2,500	2,579	7,891	83,435	89,877
Total Dodge	8,300	8,719	25,765	292,661	374,692
CHRYSLER MOTORS	17,200	17,886	52,985	589,514	764,028

Escort	7,138	8,158	23,480	199,885	281,714
Mustang	3,669	3,631	10,853	109,836	164,486
Tempo	0	3,310	6,238	105,299	121,620
Taurus	3,493	7,878	19,319	279,572	292,484
Thunderbird	0	3,379	6,297	94,170	118,026
Total Ford Div.	14,300	26,356	66,187	788,762	978,694
Topaz	0	1,102	2,589	39,769	56,338
Cougar	0	2,246	4,953	63,334	100,476
Sable	1,747	2,471	6,750	86,608	97,084
Total Mercury	1,747	5,819	14,292	189,711	253,899
Continental	1,180	1,188	3,573	48,734	52,162
Mark VII	209	213	639	16,309	16,869
Town Car	2,771	2,801	8,415	122,537	99,403
Total Lincoln	4,160	4,202	12,627	187,580	168,434
Total L-M Div.	5,907	10,021	26,919	377,291	422,332
FORD MOTOR CO.	20,207	36,377	93,106	1,166,053	1,401,026

Skyhawk	0	0	0	0	6,913
Skyline Somerset	2,199	2,977	7,173	75,782	51,750
Century	2,353	0	4,700	55,681	104,595
Riviera	587	541	1,662	18,306	16,017
Electra Park Ave	2,610	2,509	8,153	48,083	65,095
LeSabre (rwd)	3,835	3,736	11,066	132,390	124,622
LeSabre (fwd)	0	0	0	4,022	6,087
Reatta	0	0	0	5,277	5,006
Total Buick	11,584	9,763	32,754	339,541	380,085
Eldorado	493	552	1,620	17,505	24,152
Seville	784	567	1,909	28,373	17,733
Brougham (rwd)	0	1,103	2,218	25,631	45,687
DeVille (fwd)	3,615	4,042	12,078	133,105	150,405
Allante	88	89	266	3,113	2,542
Total Cadillac	4,980	6,353	18,091	207,727	240,519
Cavalier	9,572	9,387	27,701	281,077	294,894
Camaro	1,990	2,062	6,120	62,494	83,385
Celebrity	0	0	0	0	70,720
Corsica/Beretta	6,160	6,202	18,536	234,204	302,496
Caprice	0	0	0	181,688	141,913
Corvette	518	560	1,694	19,396	20,356
Total Chevrolet	18,240	18,211	54,051	779,039	913,764
Calais	2,289	2,283	7,087	84,399	73,463
Cutlass Ciera	1,293	0	2,639	58,168	69,698
Cutlass Supreme	2,235	2,160	6,556	77,544	91,587
Toronado	384	342	1,047	12,768	7,692
88 (rwd)	2,597	2,753	7,623	85,716	115,732
88 (fwd)	0	0	0	1,223	6,473
98	1,665	799	2,912	37,596	58,970
Total Oldsmobile	10,463	8,337	27,864	357,414	423,615
Sunbird	4,000	3,920	11,690	133,037	119,986
Grand Am	5,280	6,421	16,924	177,048	195,186
Firebird	1,260	1,127	3,519	36,839	46,934
Grand Prix	3,233	3,118	9,521	100,317	106,987
Pontiac 6000	1,290	0	2,651	45,751	65,477
Bonneville	1,683	1,531	4,747	64,694	77,014
Safari/Pansienne	0	0	0	0	2,691
Total Pontiac	16,746	16,117	49,052	557,686	614,275
Total Saturn*	150	150	450	2,025	0
GENERAL MOTORS	62,163	58,931	182,262	2,243,432	2,572,258
DIAMOND-STAR	4,117	3,311	11,312	122,350	64,772

HONDA	9,440	9,199	27,552	355,039	299,159
Civic	1,500	1,492	4,399	87,357	110,373
Accord	7,940	7,707	23,153	267,682	188,786
MAZDA*	5,772	4,410	14,069	146,808	166,730
Nissan	2,540	2,512	7,464	71,949	96,021
NUMMI	4,200	5,154	13,549	164,374	160,250
Corolla	2,100	2,572	6,773	82,743	65,033
Geo Prizm/Nova	2,100	2,582	6,776	81,631	95,217
SUBARU-ISUZU	1,050	894	2,739	24,369	0
TOYOTA	4,540	4,551	13,426	178,379	115,596
TOTAL CARS, U.S.	131,229	143,225	418,464	5,062,267	5,639,480
TOTAL CARS, CANADA	20,712	21,282	67,959	841,765	782,208
U.S., CANADA CARS	151,941	164,507	486,423	5,904,032	6,421,688

U.S., CANADA CARS AND TRUCKS	248,619	262,216	775,509	9,818,866	10,573,745
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Monthly estimates may contain error of one or two units due to rounding

*Total includes MX-6, 526, and Ford Probe

*Estimated

CANADIAN CAR

	Week Ended Oct. 20, 1990	Week Ended Oct. 13, 1990	Oct. to Date	Jan. 1 to Oct. 20, 1990	Jan. 1 to Oct. 21, 1989
Monaco	0	623	1,330	8,556	0
Premier	0	427	714	10,123	28,282
CHRYSLER MOTORS	0	1,050	2,044	18,679	28,282
Tempo	0	2,800	5,990	91,739	105,976
Topaz	0	763	2,116	34,475	45,071
Crown Victoria	2,723	2,101	7,542	97,522	96,050
Grand Marquis	3,029	2,398	8,457	90,780	103,841
FORD MOTOR CO.	5,752	8,062	24,105	314,516	350,938
Celebrity	0	0	0	20,319	18,438
Cutlass Ciera	1,780	1,443	5,050	63,053	100,716
Lumina	5,640	4,014	14,834	177,862	133,287
Regal	2,360	2,074	6,976	80,047	63,420
GENERAL MOTORS	9,780	7,531	26,860	341,281	315,861
CAMI*	850	850	2,550	9,350	0
HONDA	2,150	1,950	6,184	84,082	67,671
HYUNDAI	900	677	2,220	19,040	0
TOYOTA	1,200	1,021	3,519	48,387	12,942
VOLVO	180	141	477	6,430	6,514
TOTAL CARS, CANADA	20,712	21,282	67,959	841,765	782,208

U.S. TRUCK

Caravan	1,200	1,379	3,880	73,851	86,326
Dakota	1,700	1,828	5,385	59,488	75,126
Caravan C/V	0	0	0	4,171	5,534
Ram pickups	2,100	2,221	6,536	86,746	75,190
Total Dodge	5,000	5,428	15,801	224,256	242,176
Cherokee	0	3,922	7,842	125,509	178,835
Comanche	0	351	698	7,245	23,024
Grand Wagoneer	0	0	335	5,594	8,427
Wagoneer	0	107	220	3,165	6,653
Total Jeep	0	4,380	9,095	141,513	216,939
Voyager	1,100	1,259	3,467	68,551	80,722
Town & Country	0	0	0	2,078	2,974
Total C-P Div.	1,100	1,259	3,467	70,629	83,696
CHRYSLER MOTORS	6,100	11,067	28,363	436,398	542,811
Aerostar	4,000	4,697	13,732	173,270	182,199
Bronco	703	972	2,661	41,646	59,591
Bronco II Explorer	6,766	5,555	18,746	162,131	95,838
Navigo	352	308	1,044	5,544	0
Econoline	0	4,141	7,629	149,510	181,942
Mediums/Heavies	1,150	1,165	3,473	42,405	48,597
Light trucks	9,334	10,466	29,641	377,534	427,428
Ranger	7,196	6,673	19,372	232,124	255,884
Total Ford Div.	29,501	33,877	96,298	1,184,164	1,249,479
FORD MOTOR CO.	29,501	33,877	96,298	1,184,164	1,249,479
Astro	3,025	2,949	9,205	106,888	132,961
Blazer	361	0	361	13,964	22,108
Lumina APV	1,815	1,826	5,534	70,981	0
Mediums/Heavies	484	545	1,463	7,359	5,733
P-Model	0	0	0	17,306	25,203
Pickups	7,837	7,498	23,331	347,785	329,423
S-10	5,554	5,177	14,878	196,084	196,792
S-10 Blazer	2,960	3,231	7,594	64,809	144,402
Sportsvan/Van	1,300	1,391	4,039	50,807	78,764
Suburban	1,679	0	1,679	56,202	61,178
Total Chevrolet	25,015	22,617	68,084	931,465	996,564
Jimmy	107	0	107	4,244	6,721
Mediums/Heavies	562	518	1,682	7,150	10,077
P-Model	0	0	0	2,305	3,387
Pickups	2,079	2,147	5,820	122,478	99,706
S-15 Sonoma	1,115	1,041	2,813	43,084	48,568
S-15 Jimmy	1,004	1,531	3,007	22,172	41,788
Safari	995	818	2,662	37,134	35,799
Suburban	663	0	663	27,277	25,246
Vandura/Rally Vans	620	544	1,736	18,953	24,121
Total GMC	7,145	6,599	18,490	284,797	295,403
Olds Silhouette	658	640	1,931	26,564	0
Pontiac Trans Sport	1,115	1,068	3,211	38,822	0
GENERAL MOTORS	33,933	30,924	97,716	1,281,648	1,291,967
NAVISTAR	1,580	1,025	4,208	59,365	55,567
NISSAN	2,450	2,463	7,402	114,298	97,844
SUBARU-ISUZU	828	1,213	2,935	26,986	0
AM GENERAL	450	450	1,350	18,090	18,540
MISCELLANEOUS	3,000	3,000	9,000	120,600	117,600
TOTAL TRUCKS U.S.	77,842	84,019	241,272	3,241,549	3,383,880